



HALE PARISH COUNCIL

Employer Pensions Discretions Policy

1. Introduction and Overview

This Policy sets out the decisions of Hale Parish Council ("the Council") regarding the exercise of its discretionary functions under the Local Government Pension Scheme.

The Council employs staff directly. Some employees are members of the LGPS, while others are enrolled in alternative pension schemes such as NEST or are below automatic enrolment thresholds.

This Policy ensures compliance with the LGPS Regulations 2013, Transitional Regulations 2014, and historical regulations for former scheme members.

Decisions made under this Policy will normally be taken by Full Council. The Staffing Committee or Responsible Financial Officer (RFO) may be delegated to review cases and make recommendations; however, any decision involving financial strain costs or employer expenditure must be approved by Full Council.

All staff are employed by the Council and have contracts of employment in place. At the date of this Policy, one or more employees are active members of the Local Government Pension Scheme (LGPS). A further employee is enrolled in an alternative qualifying workplace pension scheme (e.g. NEST) and others do not currently meet automatic enrolment thresholds. The Council is the Trustee of Hale Village Hall Charity and the employment cost of certain roles (all except the Clerk/Responsible Officer) is recharged to Hale Village Hall Charity. This Policy applies only to employees who are (or become) members of the LGPS. It does not apply to employees who are only members of NEST or any other non-LGPS scheme.

2. Mandatory Employer Discretions

2.1 These are the discretions that the Council is required by law to have a written policy on under the LGPS Regulations. The Council must publish how it will approach these decisions to ensure transparency, consistency and compliance with the Scheme requirements.

2.2 Regulation 31 Power to Award Additional Pension

2.2.1 The Council does not routinely award additional pension. This discretion will only be considered in exceptional circumstances where it is in the Council's interests and subject to affordability. Approval must be given by Full Council following consideration of the financial implications and advice from the RFO.

2.2 **Regulation 16 Shared Cost Additional Pension Contributions (SCAPC)**

- 2.2.1 The Council will meet its statutory obligation to contribute towards Shared Cost APCs where an employee has authorised unpaid leave and elects to purchase lost pension within 30 days of return. The Council will not contribute voluntarily to any other SCAPCs.

3. **Principles and Legal Framework**

This Policy is made under the Local Government Pension Scheme Regulations 2013 ("the 2013 Regulations"), the LGPS (Transitional Provisions and Savings) Regulations 2014 ("the 2014 Transitional Regulations"), and earlier regulations applicable to former members. In exercising discretions the Council will act reasonably, consistently, and having regard to the public law duties of fairness, proper purpose and relevant considerations, including cost to the employer and impact on service delivery.

Key principles guiding decisions under this Policy include:

- compliance with LGPS legislation and any guidance issued by the administering authority;
- financial prudence, including assessment of any pension strain or employer cost;
- consistency between employees in comparable circumstances while allowing for individual facts;
- equality, diversity and inclusion considerations and the Council's Public Sector Equality Duty;
- transparency and clear recording of decisions and reasons.

4. **Decision Making Process**

Applications will normally be submitted to the Clerk and/or Responsible Financial Officer (RFO) for initial review. A report setting out the relevant regulation, options, costs (including any strain cost calculated by the administering authority), and a recommendation will be prepared for the Staffing Committee where constituted, and thereafter for Full Council for decision. Urgent or sensitive matters may be considered under delegated authority only where such delegation has been expressly resolved by Full Council.

5. **Evidence Requirements and Compassionate Grounds**

Where a discretion refers to 'compassionate grounds', the Council will require appropriate evidence. Examples include, without limitation:

- serious ill-health of the member or a dependent (medical letters may be required);
- caring responsibilities that cannot reasonably be mitigated;
- exceptional personal hardship demonstrably linked to the timing of retirement or reduction in benefits.

The absence of alternative reasonable solutions and the proportionality of any employer cost will also be considered.

6. Financial Assessment

Where a discretion may give rise to a cost to the employer (including pension strain), the RFO will obtain costing's from the administering authority and confirm budget availability before any recommendation is made. As a default position, the Council will not approve cases that give rise to a material unfunded strain cost unless overriding reasons exist.

7. Mandatory Employer Discretions (Post 31 March 2014 members)

7.1 This section relates specifically to the mandatory discretions that apply to employees who are active members of the LGPS on or after 1 April 2014. Under the current regulations, the Council must state its policy on each of these discretions and confirm whether it will, will not, or may exercise them in individual cases.

7.2 Regulation 31 Power of Employer to Grant Additional Pension

7.2.1 The Council will not normally grant additional annual pension under Regulation 31. In exceptional and evidenced circumstances, Full Council may approve an award having received advice from the RFO on affordability and value for money. Any award must fall within the statutory maximum additional pension permitted at the time of decision. No award will be made where it would create an undue burden on public funds.

7.2 Regulation 16 Shared Cost Additional Pension Contribution (SCAPC)

7.2.1 The Council will comply with the statutory requirement to contribute two-thirds towards a SCAPC where an active member elects within the permitted time to purchase pension lost during a period of authorised unpaid leave, relevant child-related leave or reserve forces leave. The Council will not ordinarily enter into any other voluntary SCAPC arrangements.

7.3 Regulation 30 Flexible Retirement

7.3.1 Employees aged 55 or over may request flexible retirement where they reduce their hours and/or move to a lower grade. The Council may consent where service delivery can be maintained, recruitment is viable, and there is no material adverse cost to the employer. As a guideline, a minimum and sustained reduction in contractual hours and/or grade will be expected; the specific reduction required will be confirmed at the time of any approval. Benefits released may be subject to actuarial reduction unless waived under Regulation 30(5) below.

7.4 Regulation 30(5) Waiver of Actuarial Reductions on Compassionate Grounds

7.4.1 The Council may waive, in whole or in part, any actuarial reduction that would otherwise apply where compassionate grounds are established and the cost is affordable. Each case will be determined on its merits following receipt of evidence and a cost report from the administering authority. Approval rests with Full Council.

7.5 Transitional Provisions Rule of 85 "Switch On" (TP1 & Sch. 2)

7.5.1 For members with Rule of 85 protections who voluntarily take benefits before age 60, the Council may agree to 'switch on' the Rule of 85 having regard to affordability and fairness. This will not be approved where a material pension strain would fall on the employer unless there are overriding reasons.

8. Recommended (Non-Mandatory) Employer Discretions

8.1 These discretions do not legally require a written policy. However, it is considered good practice for employers to set out their approach in writing to support fairness, transparency and to assist the pension fund in administering the Scheme correctly.

8.2 Shared Cost Additional Voluntary Contributions (SCAVC)

8.2.1 The Council will not establish a SCAVC arrangement or contribute to members' AVCs other than where expressly required by law.

8.3 Extension of Time for SCAPC Election (Reg 16(16))

8.3.1 Where permitted by the Regulations, the Council may extend the election deadline for SCAPC in respect of authorised unpaid absence where there is a good reason for delay and no additional employer cost arises beyond that envisaged by the Regulations.

8.4 Extension of 12-Month Time Limit to Transfer Pension Rights (Reg 100(6))

8.4.1 The Council may agree to extend the 12-month limit for requesting transfer-in of pension rights where administratively practicable and where no additional cost falls to the employer. Members should submit reasons and evidence for late requests.

8.5 Extension of Time to Elect Not to Aggregate Post-2014 LGPS Benefits (Reg 22(7) & (8))

8.5.1 The Council may extend the 12-month period for electing not to aggregate post-2014 benefits with current membership where justified and where no additional employer cost or administrative detriment is incurred.

8.6 Extension of Time to Aggregate Pre-2014 Deferred Benefits (TP10(6) as amended)

8.6.1 The Council may allow an extension to the time limit for electing to aggregate eligible pre-2014 deferred benefits with membership starting on or after 14 May 2018, subject to the administering authority's rules and absence of employer detriment.

8.7 Employee Contribution Banding (Reg 10)

8.7.1 On joining, employees will be allocated to a contribution band based on actual pensionable pay reasonably expected for the Scheme year. Bands will be reviewed at each 1 April and on any material change to pensionable pay. Decisions will be applied consistently and recorded.

- 8.8 Assumed Pensionable Pay Inclusion of Regular Lump Sums (Reg 21(4))
- 8.8.1 When calculating assumed pensionable pay, the Council may include 'regular lump sum payments' where there is a reasonable expectation that such payments would recur. Consistency and auditability will be maintained through payroll records.
- 8.9 Assumed Pensionable Pay Substitution with a Higher Level (Reg 21(5A) & (5B))
- 8.9.1 Where pensionable pay in the reference period is materially lower than normal, the Council may substitute a higher level that more fairly reflects the member's usual pensionable pay, having regard to evidence and the administering authority's guidance.

9. Administration, Records and Publication

All decisions will be documented, including the regulation considered, evidence reviewed, costings, the decision maker and the reasons for decision. This Policy will be supplied to the administering authority and made available to scheme members on request and via the Council's website where appropriate.

10. Review and Amendment

This Policy will be reviewed at least every three years, or sooner where there is a material change in legislation, guidance, or the Council's circumstances. Interim updates may be approved by Full Council. Any change will be notified to affected employees and to the administering authority.

Approved by Full Council on: **17/ 02 / 2026**

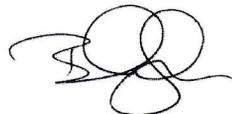
Minute reference: **Agenda Item 10 - PC Meeting 16th February 2026**

Signed (Chair):



Date: **17/ 02 / 2026**

Signed (Clerk/RFO):



Date: **17/ 02 / 2026**